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Livestock, Dairy, and Poultry Outlook

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Commercial Beef Production Revised Lower for the Third Quarter

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The next newsletter release is Sept. 17, 2015

Approved by the World Agricultural Outlook Board.

Markets will continue to offer consumers substitutes for high-priced beef through plentiful broiler supplies at attractive prices. Seasonal acceleration of pork production is also expected to create additional alternatives to beef. On the other hand, consumers of eggs and egg-products will have little choice other than to pay higher egg prices, through the second half of 2016. On the beef side, lackluster demand—largely due to high prices—is beginning to force cattle prices lower. USDA lowered quarterly steer price forecasts, through 2016. Lower exports of broiler meat, as a result of Avian Influenza (AI)-related restrictions abroad, are increasing the supply of broiler products in domestic U.S. markets, resulting in much-increased cold stocks and lower broiler product prices. USDA lowered its forecast for second-half 2015 broiler production, as USDA data suggest that producers are beginning to dial back in response to low prices. USDA also lowered second-half 2015 hog prices, which could eventually benefit pork consumers. The effects of AI-reduced laying hen supplies are resulting in very high egg prices. USDA’s increased wholesale egg price forecasts indicate record-high prices before prices begin to moderate in the second half of 2016. On the dairy side, with lower international prices for dairy products and weaker demand for U.S. dairy exports, forecasts of dairy exports for the remainder of 2015 and 2016 have been lowered. With higher domestic supplies, milk price forecasts have also been lowered.

Beef/Cattle: Pasture conditions have improved in most of cattle country, allowing producers to graze cattle to heavier weights. U.S. herd rebuilding is underway; the National Agricultural Statistics Service (NASS) July 1 Cattle reported a 2-percent increase in U.S. cattle inventory levels—the first increase since 2006. The strength of the U.S. dollar relative to other major currencies continues to hamper beef exports.

Pork/Hogs: USDA’s second-half hog prices were lowered, as prices in July were lower than anticipated. U.S. pork exports in June were slightly above those of a year ago, with shipments to Mexico the second highest ever.

Poultry: Falling prices for most broiler products have led to reductions in the numbers of chicks being placed for growout. With lower chick placements, the production forecasts for third- and fourth-quarter 2015 were both lowered by 100 million pounds. Due to losses from the highly pathogenic avian influenza (HPAI) outbreak, turkey production is forecast 6 percent lower in the second half of 2015 compared to a year earlier, and whole bird prices are expected to be significantly higher. Declines in table egg production, also due to HPAI, have led to sharp increases in wholesale egg prices.

Poultry Trade: Broiler, turkey, and egg shipments in June remained down from a year ago. Broiler shipments totaled 564 million pounds in June 2015, a decrease of 9 percent from a year earlier. Turkey shipments were decreased 40 percent from a year ago, totaling 42 million pounds, while egg and egg product exports totaled 22 million dozen in June 2015, a 26-percent decrease from the previous June.

Dairy: Dairy export forecasts have been lowered and import forecasts have been raised based upon higher expected competition in global markets. The milk production forecast has been lowered to 213.0 billion pounds for 2016. Forecasts for the all-milk price have been lowered to \$16.75-\$16.95 per hundredweight (cwt) for 2015 and \$16.40-\$17.40 per cwt for 2016.

Recent Livestock, Dairy and Poultry Special Articles

Effect of the Trans-Pacific Partnership on U.S. Dairy Trade, pdf pages 19-25 of November 2013 Livestock, Dairy and Poultry Outlook report
(<http://www.ers.usda.gov/media/1221780/specialarticleldpm233.pdf>)

Determinants of Japanese Demand for U.S. Pork Products in 2012, pdf pages 20-25 of the May 2013 Livestock, Dairy and Poultry Outlook report
(<http://www.ers.usda.gov/media/1106754/ldpm227.pdf>)

U.S. Pork Production Rises on a Smaller Base of Breeding Animals, pdf pages 16-19 of the April 2013 Livestock, Dairy and Poultry Outlook report
(<http://www.ers.usda.gov/media/1077557/ldpm226.pdf>)

Implications of the Trans-Pacific Partnership for Meat, Poultry, and Seafood Trade, pdf pages 20-24 of the April 2013 Livestock, Dairy and Poultry Outlook report
(<http://www.ers.usda.gov/media/1077557/ldpm226.pdf>)

Uptick in July 2015 U.S. Beef Cattle Inventory

Weather and pasture conditions in most of U.S. cattle country have improved. According to the Crop Progress report of the week ending August 9, 2015, 55 percent of pasture and range conditions are rated “good to excellent,” up from 50 percent a year ago (<http://usda.mannlib.cornell.edu/usda/current/CropProg/CropProg-08-10-2015.txt>). With a favorable forage and pasture situation, producers continue to graze cattle and calves to heavy weights. Cattle on Feed, released July 24, 2015, reported that June 2015 placements of cattle weighing 800-plus pounds totaled 545,000 head—up 11 percent over June 2014. For June 2015, almost all major feedlot States have increased the number of steers and steer calves on feed in 1,000-plus-head feedlots, including the very heavy backgrounded cattle, compared with placed heifers and heifer calves (also down year over year). Producers are continuing to hold cattle on feed for over 150 days; the average liveweights of finished cattle have been reported by the Agricultural Marketing Service to be over 1,330 pounds. Further, the July 1, 2015 Cattle on Feed reported a 7-percent decline of heifers and heifer calves on feed on 1,000+ capacity feedlots, more evidence of herd rebuilding. The total number of cattle on feed in 2015 is expected to surpass the 2014 annual total, but total 2015 placements and marketings are both projected to decline compared with last year. It is likely that producers will continue to hold back cattle, given favorable feed prices and pasture conditions. Consequently, an increase in the number of placements and marketings is expected in 2016.

Unlike the Southern Plains and the Midwest, some regions of far-Western States are experiencing “D4” conditions and wider areas are experiencing “D2” and “D3” conditions, while wildfires have affected parts of California (according to the August 4, 2015, U.S. Drought Monitor, <http://droughtmonitor.unl.edu/Home.aspx>). As a result, the drought-stricken areas are likely to push their cattle onto feedlots at lighter weights than their Southern Plains counterparts.

The July Cattle report released on July 24, 2015, revealed that the July 1 U.S. cattle and calves inventory totaled 98.4 million head, an increase of 2 percent compared with a year earlier. Heifers weighing 500-plus pounds for beef cow replacements showed a 7-percent increase compared with July 2014. The report showed dairy herd increases as well—up 1 percent from the previous year. The Cattle report does not document State-by-State head counts, making it difficult to pinpoint the exact locations of herd expansion. The report estimates that this is the first July 1 cattle inventory increase since 2006. Table 1 provides a breakdown of cattle inventory by class and calf crop.

The 5-Area steer prices have been ranging between the upper \$140s per hundredweight (cwt) to the low \$150s per cwt in July and early August. USDA projects prices to average \$148-\$152 per cwt for third quarter, 5 percent below the same period last year. Fourth-quarter steer prices are expected to be \$148-158 per cwt, an 8-percent decline from 2014 price levels.

Cattle Inventory by Class and Calf Crop – United States: July 1, 2014 and 2015

Class	2014	2015	Percent of 2014
	(1,000 head)	(1,000 head)	(percent)
Cattle and calves	96,300.00	98,400.00	102
Cows and heifers that have calved	39,000.00	39,800.00	102
Beef cows	29,750.00	30,500.00	103
Milk cows	9,250.00	9,300.00	101
Heifers 500 pounds and over	15,600.00	15,900.00	102
For beef cow replacement	4,600.00	4,900.00	107
For milk cow replacement	4,100.00	4,200.00	102
Other heifers	6,900.00	6,800.00	99
Steers 500 pounds and over	13,700.00	14,100.00	103
Bulls 500 pounds and over	1,900.00	1,900.00	100
Calves under 500 pounds	26,100.00	26,700.00	102
Calf crop	33,900.00	34,300.00	101
Cattle on feed	11,900.00	12,100.00	102

Source: National Agricultural Statistics Service, *Cattle*, July 24, 2015.

Commercial Beef Production Forecast Lowered for the Third Quarter

Holding animals on pasture and in feedlots longer is expected to impact the number of commercial cattle slaughtered for the remainder of the year. USDA lowered the commercial beef production forecast for third-quarter 2015 approximately 35 million pounds on expectations of lower cattle slaughter during the quarter. The commercial beef production forecast for the fourth quarter was unchanged, fractionally higher than fourth-quarter 2014. USDA's current forecast for commercial beef production in 2015 is expected to be approximately 2 percent lower than the previous year. While the number of cattle heading to slaughter remains below the previous year, heavier average dressed weights have continued to be much higher than in 2014, helping to partially offset the lower number of cattle being processed. Average cattle dressed weights in the third quarter are projected to average above last year, but the increase in weights during the fourth quarter is expected to narrow. Commercial beef production in 2016 is projected to reach 24.8 billion pounds, which would be the first year-over-year increase since 2010.

As of the week ending August 14th, Agricultural Marketing Service (AMS) weekly Choice and Select cutout values were reported at \$242.66/cwt and \$234.55/cwt, respectively (http://www.ams.usda.gov/mnreports/lm_xb459.txt). Weekly cutout values (both Choice and Select) have increased in recent weeks, mostly due to packers limiting the number of animals processed on a weekly basis, but the inability of wholesale beef prices to gain much upward traction has kept packer margins under pressure. Retail beef prices continue to hold at record levels, and the Economic Research Service's monthly average retail Choice beef price in June was reported at \$6.11 per pound (<http://www.ers.usda.gov/data-products/meat-price-spreads.aspx>). Retail prices are expected to remain above year-ago levels through the remainder of the year, but could decline below this year's second quarter estimate due to the seasonal waning in demand for grilling items after Labor Day, which is considered to be the last grilling holiday of the year, along with increased resistance to high beef prices from consumers, seasonally larger beef production, and large supplies of pork and poultry through the remainder of 2015.

Beef Imports Continue To Thrive, Strong Dollar Hampers Beef Exports

U.S. beef imports totaled over 1.8 billion pounds through June 2015, about 40 percent higher than the same period one year earlier. Imports of lean beef for processing from Australia, New Zealand, and Uruguay have remained above year-prior levels through the first and second quarters of this year. Imports of thermally processed beef from Brazil and fresh/chilled beef from Mexico have also been higher year over year. Nonetheless, imports from Australia have posted the largest gains year over year as a result of lingering drought conditions and brisk herd liquidation. Despite increased herd liquidation in Australia, cattle prices have remained high due to the strong global demand for beef, especially from the United States. From January through June, total beef imports from Australia were up a little over 65 percent. It is expected that imports of processing beef will remain brisk through the third quarter as a result of low cow slaughter, the strong demand for processing beef, and competitively priced imported product. Fourth-quarter imports remain unchanged from the previous month's estimate, and total U.S. beef imports for 2015 are forecast at 3.4 billion pounds, over 17 percent higher than year-earlier levels.

According to the most recent monthly export data, declines in beef exports to top destinations such as Japan, Mexico, and Hong Kong have more than offset increases in beef shipped to South Korea during the first half of the year. January–June total beef exports to South Korea were up approximately 8 percent relative to the previous year. However, growth in overall beef exports so far this year has largely been obstructed by a stronger U.S. dollar and sluggish global demand for relatively high-priced U.S. beef. Total beef exports through June were reported a little over 9 percent lower than the same period in 2014. Top U.S. beef export markets such as Mexico, Canada, and Hong Kong have all shown noticeable declines through the first half of the year. Beef exports to Japan were higher year over year through April but began to fizzle in May and June. USDA lowered both third- and fourth-quarter beef exports by 25 million pounds, as the above factors will likely continue to be a drag on exports through the remainder of the year. Total beef exports for 2015 are expected to reach 2.3 billion pounds, about 8 percent lower than 2014.

Live cattle imports through the first half of the year were approximately 5 percent lower than a year ago. Imports have been higher from Mexico (approximately 14 percent higher January-June, year over year), but the United States has experienced a significant decline in live cattle imports from Canada (about 22 percent lower year over year for January-June). USDA reduced forecasts for live cattle exports in both 2015 and 2016 as a result of weaker demand.

Second-Half Hog Prices Adjusted Lower

USDA lowered its second-half 2015 price forecasts for live equivalent 51-52 percent lean hogs, as July prices came in at lower levels than expected. Third-quarter prices are expected to be \$51-\$53 per cwt, almost 38 percent below prices a year ago. Fourth-quarter prices are expected to be \$45-\$47, 31 percent below the same period a year ago. Pork production in the second half of 2015 is expected to be significantly higher than in the same period last year, as the U.S. pork industry continues its recovery from Porcine Epidemic Diarrhea. Third-quarter commercial pork production is expected to be almost 6 billion pounds, over 10 percent above a year ago. Fourth-quarter production is expected to be 6.5 billion pounds, 6 percent above the same period a year ago.

Exports Lackluster in June

U.S. pork exports in June were almost 413 million pounds, fractionally higher than volumes shipped one year ago. The 10 largest foreign destinations for U.S. pork exports in June are listed below. It is notable that shipments to Mexico were near-record large at almost 136 million pounds and 21 percent ahead of exports in June 2014. In light of the sharp depreciation of the Mexican peso—which in June had lost more than 19 percent of its value vis-à-vis the U.S. dollar, compared with June 2014—the spike in U.S. pork shipments to Mexico is likely due to Mexican consumers substituting pork for more expensive meats. U.S. Customs data shows that export shipments of beef, broiler meat, turkey, and eggs all declined year over year in June: U.S. beef exports to Mexico in June were 24 percent below a year ago, mostly due to high U.S. prices from lower beef supplies. June shipments of U.S. poultry products were all lower year over year due to Avian Influenza-related trade restrictions: broiler meat (-15 percent), turkey (-45 percent), other chicken (-9 percent) and eggs (-51 percent). Lower U.S. beef and poultry product shipments to Mexico reduce domestic (Mexican) availability, likely raising consumer prices. Supplies of U.S. pork products, on the other hand, remain adequate and attractively priced relative to other animal proteins available for export to Mexico.

U.S. pork exports to 10 largest foreign destinations, June 2015 and 2014

	Country	2015 (million lbs.)	2014 (million lbs.)	Percent change %	2015 Export share % of total exports	2014 Export share % of total exports
	World	412.97	412.70	0.1		
1	Mexico	136	113	20.5	32.9	27.3
2	Japan	102	112	-9.3	24.6	27.1
3	Canada	40	46	-13.3	9.7	11.2
4	S. Korea	36	21	74.7	8.8	5.0
5	China-Hong Kong	31	35	-9.3	7.6	8.4
6	Australia	18	14	25.9	4.3	3.5
7	Colombia	8	9	-14.8	2.0	2.3
8	Dominican Rep.	6	4	52.5	1.3	0.9
9	Honduras	5	5	18.8	1.3	1.1
10	Philippines	5	9	-45.5	1.2	2.3

Source: USDA\ERS. <http://www.ers.usda.gov/data-products/livestock-meat-international-trade-data.aspx>.

Broiler Meat Production Up in Second Quarter

Broiler meat production in second-quarter 2015 totaled 10 billion pounds, 4 percent higher than in the same period in 2014. This is the 11th consecutive quarter of year-over-year increases in broiler meat production. Production in June totaled 3.4 billion pounds, 6.4 percent higher than the previous year. A major factor in the strong increase in June production was one additional slaughter day in June 2015 compared with the previous year. In the first half of 2015, broiler meat production was 19.7 billion pounds, an increase of 4.3 percent compared with the first half of 2014. Although the broiler meat production forecasts for the second half of 2015 were lowered, production is forecast to expand in the second half of 2015 at around the same rate as in first-half 2015.

The declines in broiler exports due to highly pathogenic avian influenza (HPAI)-related bans has meant more broiler products have been available for sale on the domestic market, putting downward pressure on prices. Normally, with the downward trend in broiler prices, broiler integrators would begin to contract or slow down production. Over the past several weeks the year-over-year growth rate for the number of broiler eggs placed in incubators has declined, and the number of chicks placed for growout has also started to drop. However, even though growth in the number of birds in the production process may be declining, the average weight of those birds at slaughter continues to rise; over the first half of 2015, the average live weight of birds at slaughter has been almost 2 percent higher than the previous year. The impact of the lower prices on integrators has been lessened to some extent by lower prices for corn and soybean meal in the first half of 2015 compared with a year earlier.

With numerous trade restrictions expected to be in place for some time yet and falling prices, integrators appear to be reducing the number of chicks entering the production process. This has led to reductions in the production forecast for the third and fourth quarters of 2015. The forecast for the third quarter was lowered to 10.3 billion pounds and for the fourth quarter to 10.2 billion pounds, a total reduction of 200 million pounds.

During July, there was a difference between the year-over-year growth in the number of eggs placed in incubators each week and the growth in the number of chicks placed weekly for growout. Over the last 5 weeks (July 4 to August 1), the number of eggs placed in incubators has averaged only 0.6 percent higher than during the same period in 2014, down from 2 percent higher only 3 weeks earlier. Yet over this same 5 week period, the number of chicks placed for growout has averaged 2.2 percent higher than the previous year. This growth rate means that the number of birds slaughtered in August and through the end of the third quarter is expected to be higher than the previous year, but bird slaughter numbers later in the year may be closer to year-earlier numbers.

Broiler stocks in cold storage at the end of June totaled 688 million pounds, 22 percent more than the previous year. Cold storage holdings of most individual broiler product categories were significantly higher compared with the previous year. The increase in stock levels stems from a combination of strong upswings in domestic production and the decline in export trade resulting from the outbreaks of

HPAI during the first half of 2015. Although shipments of broiler products have been restricted or banned by a number of countries, almost no broilers have contracted HPAI and so the production of broiler meat (unlike that of turkey or eggs) has not been impacted. Stocks of whole birds increased to almost 20 million pound, 151 percent more than the previous year. While cold storage holdings of legs were actually down slightly from the previous year, stocks of leg quarters, thighs, and thigh meat were all significantly higher than a year earlier. Stocks of leg quarters declined from May, but were 139 million pounds, 39 percent higher than the previous year. Stocks of thighs and thigh meat were up 18 and 28 percent from a year earlier. The only major broiler part whose stocks were lower than the previous year was wings. Cold storage holdings of wings have been lower than year-earlier levels for the last 17 months.

Cold storage holdings of broiler products are expected to remain above the previous year in the third and fourth quarters, but with the reductions in the forecasts for production, the forecasts for ending stocks for both quarters were reduced by 50 million pounds. The forecast for third-quarter ending stocks was reduced to 700 million pounds, still 18 percent higher than in 2014. The forecast for fourth-quarter ending stocks was lowered to 725 million pounds, an increase of 7 percent from the previous year.

Over the first 7 months of 2015, wholesale prices for most broiler products have declined compared with same period last year. The decline has been stronger over the last several months as the HPAI outbreaks and the resulting trade interruptions have placed more broiler products on the domestic market, placing downward pressure on prices. Whole bird prices averaged \$1.07 per pound in May, but prices fell significantly in both June and July and in early August had fallen to the low-\$0.80's per pound. This has resulted in a downward revision in the forecast for the third and fourth quarters. Whole bird prices are forecast at \$0.89 to \$0.91 per pound in the third quarter and only slightly higher, at \$0.89 to \$0.95 per pound, in the fourth quarter.

July prices for most broiler parts were also significantly lower than the previous year. Prices were lower for both breast meat and leg products. Boneless/skinless breast meat averaged \$1.37 a pound in July, down 31 percent from a year earlier. Prices for other breast meat products were also lower. Prices in July for leg meat products such as leg quarters and boneless/skinless thighs were down 48 and 26 percent, respectively, from a year earlier. However, prices remained well above the previous year for wings, a reflection of their continuing lower cold storage levels. Even with the downward revisions in production for the second-half of 2015, most broiler parts prices are expected to be under downward pressure through the end of 2015.

Turkey Production Expected Higher in Second-Half 2015

The forecast for turkey meat production in the second half of 2015 is expected to total 2.82 billion pounds, down 6 percent from the same period in 2014 but an increase of 40 million pounds from the previous forecast. The decline will likely come primarily from the lower number of birds available for slaughter, but weights may be lower as producers may have incentives to market birds earlier given expected high prices ahead of Thanksgiving and Christmas.

Turkey meat production during the first 6 months of 2015 was 2.82 billion pounds, an increase of 2 percent from the same period in 2014. This increase masks strong declines in production in both May and June as the HPAI outbreak heavily impacted turkey production, especially in Minnesota.

There were two factors impacting turkey stocks. First, the number of birds slaughtered and turkey meat production were falling in May and June. Second, partially offsetting this were lower turkey exports. The net result was somewhat smaller supplies of turkey products on the domestic market. At the end of June, turkey stocks totaled 458 million pounds, down 1 percent from the previous year. The year-over-year decrease in stocks was due to lower cold storage holdings in most of the reported categories. Stocks of whole turkeys totaled 262 million pounds, a 3-percent decline from the previous year, with stocks of whole toms down 8 percent, but stocks of whole hens were 2 percent higher than a year earlier. Cold storage holdings of turkey products totaled 196 million pounds, an increase of 1 percent from a year earlier. However, the changes in the different categories varied widely, with stock levels for MDM turkey meat down 28 percent and stocks of legs up 73 percent. Overall ending turkey stocks are expected to remain below a year earlier through the end of third-quarter 2015 but to be slightly above the previous year at the end of 2015.

With lower production forecast for the second half of 2015 and lower ending stocks forecast for the third quarter, prices for whole birds are expected to be facing upward price pressure through the end of the year. Prices for frozen hens averaged \$1.08 per pound in the second quarter, only 3 percent higher than a year earlier, but by July prices had risen to \$1.21 per pound, 11 percent higher than a year earlier. The price forecast for frozen whole hens for the third quarter is \$1.22 to \$1.26 per pound, around 11 percent higher than third-quarter 2014. Prices are expected to then continue higher in the fourth quarter, at \$1.28 to \$1.36 per pound.

Monthly prices for wholesale turkey parts over the first 6 months of 2015 have varied considerably, depending on whether the product was mostly for the domestic market or a significant export product. Another factor was whether the source of the product was tom or hen turkeys. Prices for leg meat products (drumsticks and thighs) have fallen sharply compared with the previous year, with drumstick prices down 41 percent and thigh prices down 25 percent. Prices for breast meat products have been trending in the opposite direction, with prices in June 6 percent higher and prices for boneless/skinless breast meat 29 percent higher than the previous year. For full-cut wings, the source had a large impact on the price change from the previous year. Full-cut wings from tom turkeys averaged \$0.58 per pound in June, 23 percent lower than a year earlier, but prices of full-cut wings from hen turkeys were \$0.82 per pound, down fractionally from the previous year. With lower production and lower stock levels through third-quarter 2015, many turkey parts whose main markets are domestic are expected to continue to have upward pressure on prices.

Table Egg Production Falls with Lower Flock Size

Table egg production continues to be depressed due to the large number of hens lost to the HPAI outbreak. The table egg flock size in June was 270 million birds, down 11 percent, or 33 million birds, from the previous year. Until the HPAI outbreak, the number of hens in table egg flocks had been rising continuously on a year-over-year basis for over 3 years. Over the last 3 months, while the size of the table egg

flocks was declining, the number of eggs produced per 100 hens remained close to a year earlier. With the declining flock size and relatively stable productivity, the reduction in total table egg production closely approximates the decline in the flock size. In June, table egg production was 525 million dozen, down 11 percent.

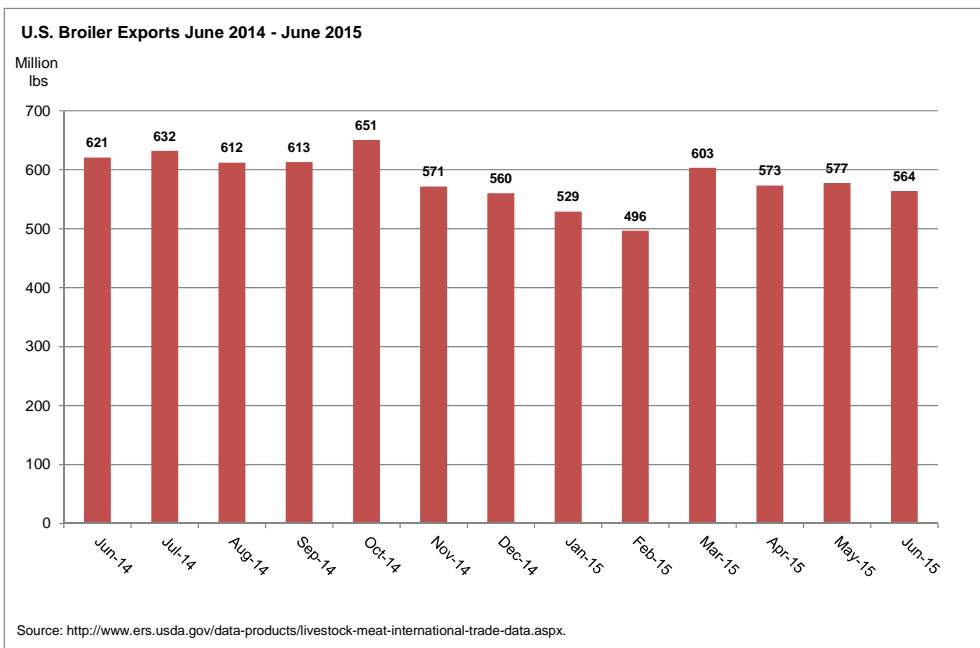
The year-over-year decline in table egg production is forecast to continue until the second quarter of 2016. Production in the second half of 2015 is forecast at 3.4 billion dozen, down 9 percent from the same period in 2014. Gradually, egg producers will add replacement hens and increase the size of the table egg flock.

Since the hens producing broiler eggs for hatching were not significantly affected by the HPAI outbreak, production of these eggs has continued to expand. In June the size of the hatching flock was 58 million birds, an increase of 3 percent from June 2014. The number of broiler-type hens producing eggs for hatching was about the same as in May, with June's estimate at 58 million birds, 3 percent higher than in June 2014. Over the first half of 2015, the number of broiler-type hens producing hatching eggs averaged 55 million, also 3 percent higher than during the same period in 2014. The production of hatching eggs is expected to trend upward over the second half of 2015 and finish the year at 1.1 billion dozen, an increase of almost 5 percent.

Wholesale prices in the New York market for grade A large eggs in second-quarter 2015 averaged \$1.70 per dozen, a sharp increase of 26 percent from the previous year. Prices in July varied widely—at first prices declined from the highs in June, but at the end of July going into August, prices again rose sharply, moving as high as \$2.70 per dozen. In the second week of August, prices averaged \$2.74 per dozen. With table egg production forecast lower than the previous year throughout the second half of 2015, egg prices are expected to remain well above year-earlier levels until the middle of 2016. Wholesale prices in the New York market for a dozen Grade A large eggs are forecast at \$2.38 to \$2.46 in third-quarter 2015 and \$2.38 to \$2.52 in the fourth quarter.

Poultry Trade

U.S. Broiler Shipments Down in June

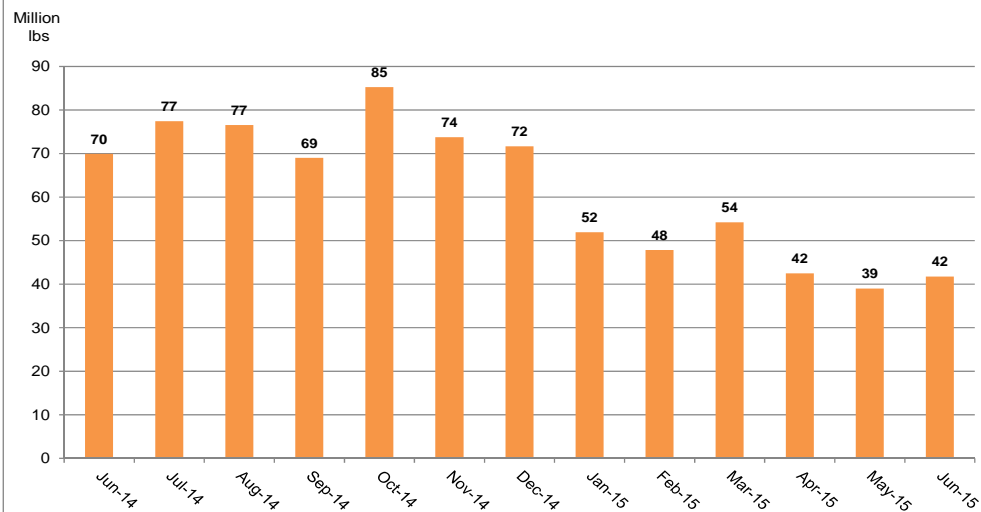


Broiler shipments dropped 9 percent in June compared with a year earlier, totaling 564 million pounds. Exports to Mexico, the United States' largest market, declined by 15 percent from June 2014 levels. National bans by China, Russia, and South Korea continue to impact exports. Partially offsetting the losses were gains in shipments to Canada (+34%), Hong Kong (+50%), Taiwan (+20%), Turkey (+214%) and the United Arab Emirates (+289%). The forecast for 2015 broiler exports remains unchanged at 6.8 billion pounds as the impact of trade bans is expected to persist for much of 2015, while the forecast for 2016 remains at 7.2 billion pounds.

Turkey Exports Drop in June from a Year Earlier

In June, turkey exports totaled 42 million pounds, 40 percent lower than the previous June. The decrease was mainly due to a sharp decline in exports to Mexico, the largest market for U.S. turkey products. The 27 million pounds shipped to Mexico in June were 45 percent lower than the previous June. The overall decline in exports in June is likely due to the decline in production caused by HPAI outbreaks in spring 2015 and bans on imports from U.S. States where there have been outbreaks of HPAI. After adjusting for June data and lower expected second-half exports, the forecast for 2015 turkey exports was reduced by 57 million pounds to 542 million pounds and the 2016 forecast was reduced by 10 million pounds to 740 million pounds.

U.S. Turkey Exports June 2014 - June 2015

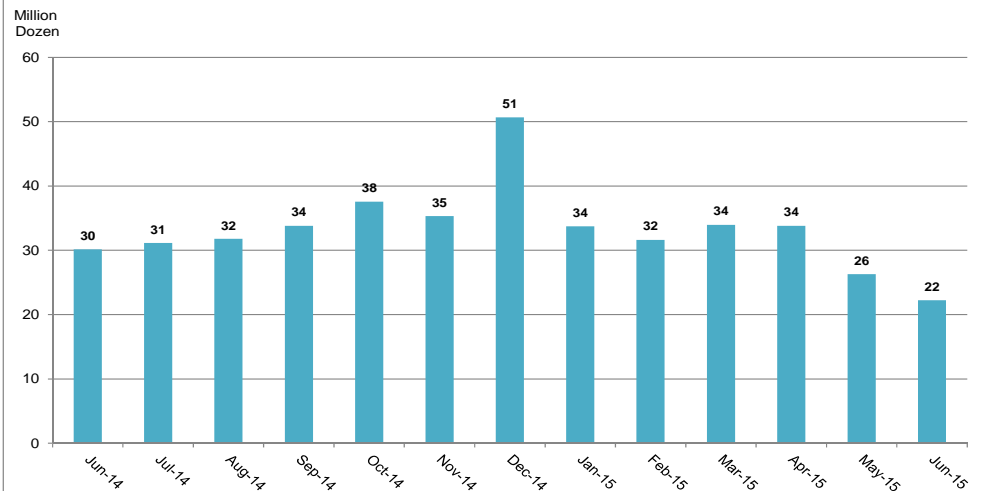


Source: <http://www.ers.usda.gov/data-products/livestock-meat-international-trade-data.aspx>.

Egg Exports Down in June

Total egg exports (shell eggs and egg products) reached the shell egg equivalent of 22 million dozen in June, 26 percent lower than in the previous year. The decline was primarily due to a sharp decrease in exports to Mexico, Japan, and Hong Kong. Shipments to Mexico were 51 percent lower in June compared with a year earlier, while shipments to Japan and Hong Kong fell by 66 percent and 72 percent, respectively. In contrast, shipments to Canada increased by 65 percent compared with a year earlier, totaling 11 million dozen. Egg exports in 2015 are now expected to total 327 million dozen as decreased production, high domestic prices, and continued trade bans are expected to limit exports. The forecast for 2016 exports is now 370 million dozen, a reduction of 15 million dozen from last month.

U.S. Egg and Egg Product Exports June 2014 - June 2015



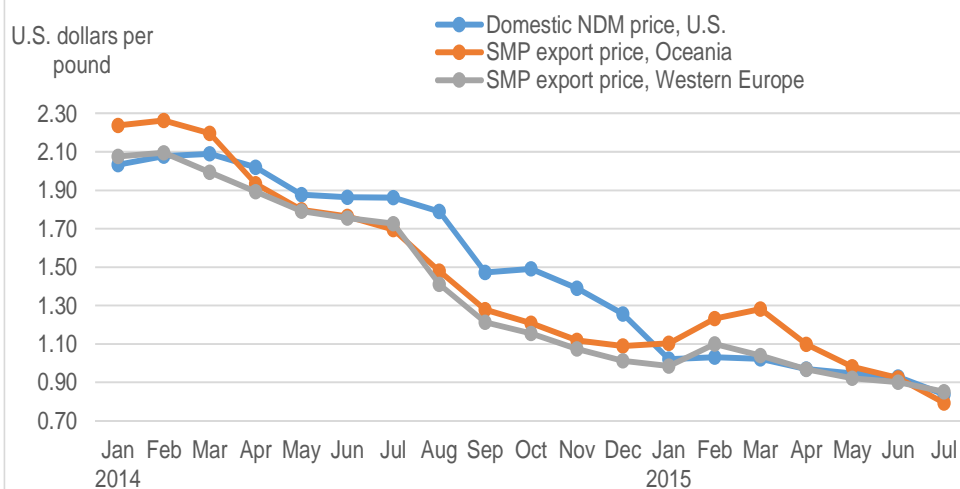
Source: <http://www.ers.usda.gov/data-products/livestock-meat-international-trade-data.aspx>.

Recent Developments in Dairy Markets

The U.S. domestic nonfat dry milk price (NDM) averaged \$0.837 per pound in July, the lowest monthly level since May 2009. July international export prices for skim milk powder (SMP) were also very low, \$0.79 per pound for Oceania and \$0.85 per pound for Western Europe. The weighted average SMP price for the August 4th Global Dairy Trade auction was \$0.64 per pound. Since the U.S. market for NDM is highly dependent upon exports, domestic prices track fairly closely with international prices. The domestic price for dry whey, which is also highly dependent upon exports, fell from 42.5 cents in June to 39.4 cents in July.

In contrast to NDM and dry whey prices, the U.S. domestic butter price rose slightly from June to July, and it was much higher than international export prices. The domestic cheese price fell slightly but remained substantially higher than the Oceania export price. U.S. prices for butter and cheese can remain above competitors' export prices for two reasons: (1) U.S. butter and cheese markets are not highly dependent upon exports, and (2) the domestic market is somewhat insulated from imports by tariffs and transportation costs. Over-quota import tariffs¹ for butter and cheddar cheese are about \$0.70 and \$0.56 per pound, respectively.

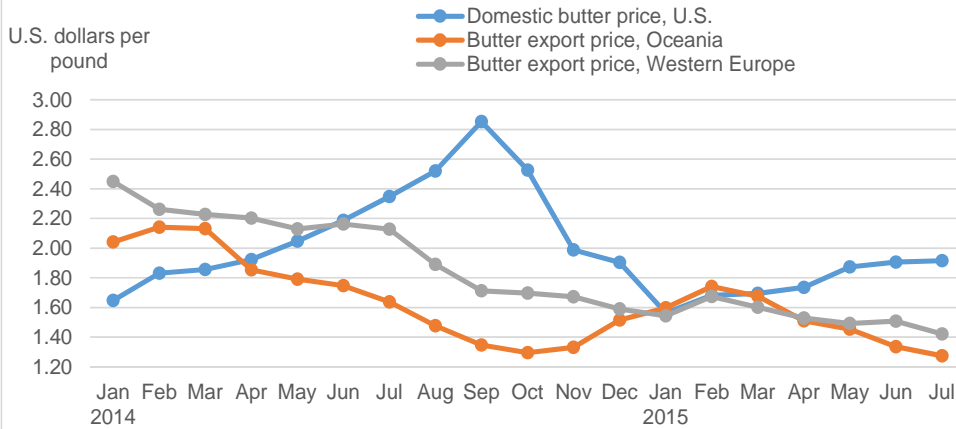
U.S. and international prices for nonfat dry milk and skim milk powder



Source: USDA Agricultural Marketing Service.

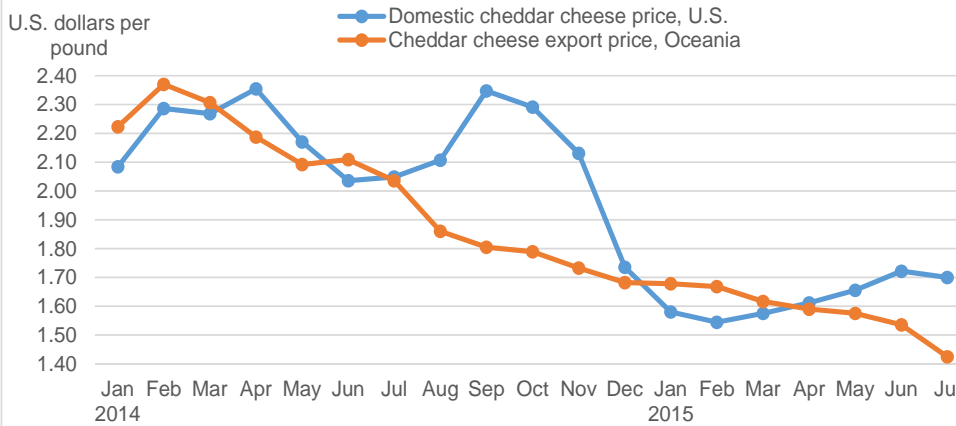
¹ Most dairy products are subject to tariff-rate quotas. A lower (in-quota) tariff is charged on imports within a specified quota volume, while a higher (over-quota) tariff is charged on imports in excess of the quota.

U.S. and international butter prices



Source: USDA Agricultural Marketing Service.

U.S. and Oceania prices for cheddar cheese



Source: USDA Agricultural Marketing Service.

Dairy exports fell from May to June, reflecting weak global demand and strong competition. Products with significant month-over-month decreases in exports included nonfat dry milk, whey products, butterfat products, and cheese. Month-over-month dairy imports rose, reflecting low import prices and strength of U.S. demand. Products with significant month-over-month increases in imports included butterfat products, cheese, milk protein concentrate, and milk albumin.

USDA National Agricultural Statistics Service (NASS) revised May milk cow numbers upward by 14 thousand head to 9.324 million. The estimate for June milk cow numbers is 9.317 million cows, which would represent the first month-over-month decline in cow numbers since November 2013. The milk per cow estimate for June is 1,872 pounds, 3 pounds more than June of 2014. The milk production estimate for June is 17.445 billion pounds, 0.7 percent over the previous year but a deceleration from the 1.5 percent year-over-year growth in May. NASS reported that as of July 1, milk cow replacement heifers numbered 4.2 million head, about 2 percent above the previous year.

Feed Price Situation for Dairy

Feed price forecasts have been lowered from last month's forecasts due to higher forecast yields. The 2015/16 forecasts for corn and soybean meal are \$3.35-\$3.95 per bushel and \$310-\$350 per short ton, respectively. The alfalfa hay price fell from \$192 to \$178 per short ton from May to June.

Outlook for World Dairy Markets

Based upon low world prices and weak global demand, the USDA Foreign Agricultural Service lowered its 2015 forecasts for major dairy exporters in its July issue of *Dairy: World Markets and Trade*. Factors contributing to lower prices include weak demand from China and the Russian import ban on dairy products from major producers. The combined 2015 milk production forecast for the largest exporting countries (Argentina, Australia, European Union, New Zealand, and the United States) is 283.4 million metric tons, a reduction from 286.9 million metric tons that were forecast in December 2014. For more information, see <http://apps.fas.usda.gov/psdonline/circulars/dairy.pdf>.

Dairy Forecasts for 2015

With low international prices and weaker exports in June, dairy export forecasts for 2015 have been lowered from last month's forecasts to 9.8 billion pounds on a milk-fat basis (-0.7 billion pounds) and to 39.5 billion pounds on a skim-solids basis (-0.2 billion pounds). Forecasts for imports have been raised to 5.7 billion pounds on a milk-fat basis (+0.5 billion pounds) and to 6.6 billion pounds on a skim-solids basis (+0.5 billion pounds).

The latest data provide mixed signals for short-term forecasts of milk cow numbers. Milk cows for the second quarter were higher than expected due to the May revision, but the change from May to June was downward. The year-over-year increase in replacement heifers suggests that significant numbers of cows will enter the dairy herd in coming months. Thus, the annual average milk cow forecast for 2015 is unchanged from last month at 9.315 million head. Given recent yield data, the milk per cow forecast has been lowered slightly to 22,410 pounds. The milk production forecast rounds to 208.8 billion pounds, unchanged from last month.

The forecast for milk-fat basis ending stocks for 2015 has been raised to 12.0 billion pounds, largely due to higher than expected butter stocks. The forecast for skim-solids basis ending stock forecasts has been raised to 13.1 billion pounds, mostly as a result of higher expected NDM stocks.

Based upon recent price declines and expectations of lower net exports, 2015 dairy product price forecasts have been lowered to \$1.635-\$1.655 per pound for cheese, \$0.865-\$0.885 for NDM, and 41.5-43.5 cents for dry whey. For butter, the projection is \$1.815-\$1.855 per pound—lowered slightly at the midpoint of the range. With lower dairy product prices, milk price forecasts have been lowered. The Class III and IV milk price forecasts have been lowered to \$15.85-\$16.05 and \$13.00-\$13.30 per cwt, respectively. The all-milk price forecast is \$16.75-\$16.95 per cwt, lower than \$17.05-\$17.35 per cwt forecast last month.

Dairy Forecasts for 2016

With lower milk prices expected to more than offset lower feed prices in late 2015 and early 2016, the 2016 dairy herd is forecast to contract to 9.310 million head, a year-over-year decline of 5 thousand cows and 20 thousand less than forecast last month. The yield forecast has been lowered to 22,880 pounds for the year, 10 pounds less than last month's forecast. The milk production forecast for 2016 has been lowered to 213.0 billion pounds, 0.6 billion pounds less than forecast last month.

For 2016, forecasts for commercial exports are lowered, and forecasts for imports are raised from last month. Commercial exports are forecast at 10.7 billion pounds on a milk-fat basis (-0.3 billion pounds) and 39.7 billion pounds on a skim-solids basis (-0.2 billion pounds). Imports are forecast at 5.4 billion pounds on a milk-fat basis (+0.5 billion pounds) and 6.4 billion pounds on a skim-solids basis (+0.4 billion pounds).

With generally lower prices, domestic use forecasts have been raised for 2016. Domestic commercial disappearance is forecast at 206.7 billion pounds on a milk-fat basis (+0.6 billion pounds) and 178.4 billion pounds on a skim-solids basis (+0.3 billion pounds). Forecasts for 2016 ending stocks are unchanged at 12.0 billion pounds on a milk-fat basis and have been raised to 13.5 billion pounds on a skim-solids basis (+0.6 billion pounds).

For 2016, the NDM forecast price has been lowered to \$0.950-\$1.020 per pound due to expectations of weak export demand and strong competition. With the lower NDM price, less skim milk is expected to move to driers, and more milk is expected to move into cheese vats. With more milk going to cheese vats, less cream is expected for butter churns, and a larger supply of whey (a cheese coproduct) will be available. With a greater expected supply of cheese, the cheese price forecast has been lowered to \$1.595-\$1.695 per pound, although demand for cheese is expected to remain relatively strong. With a greater supply expected and weaker export demand for whey, the dry whey price forecast has been lowered to \$0.410-\$0.440 per pound. With a smaller expected butter supply and a relatively strong domestic demand expected, the butter price forecast has been raised to \$1.760-\$1.890 per pound.

With lower cheese and whey price forecasts, the Class III price forecast for 2016 is lowered to \$15.45-\$16.45 per cwt. The lower NDM price forecast more than offsets the higher butter price forecast, resulting in a lower Class IV price of \$13.50-\$14.60 per cwt. The all-milk price is forecast at \$16.40-\$17.40 per cwt, a reduction from the \$17.00-\$18.00 forecast last month.

Hearing on a Proposed Federal Milk Marketing Order for California

The USDA Agricultural Marketing Service announced that a hearing will be held in Clovis, CA, convening on September 22, 2015, to consider proposals to establish a Federal milk marketing order for California. A Preliminary Economic Impact Analysis has been published estimating impacts of implementing the proposals. See <http://www.ams.usda.gov/rules-regulations/moa/dairy/ca> for more details.

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Livestock and Meat Trade Data, <http://www.ers.usda.gov/data-products/livestock-meat-domestic-data.aspx>, contains monthly and annual data for the past 1-2 years for imports and exports of live cattle and hogs, beef and veal, lamb and mutton, pork, broiler meat, turkey meat, and shell eggs. The tables report physical quantities, not dollar values or unit prices. Breakdowns by major trading countries are included.

Related Websites

Livestock, Dairy, and Poultry Outlook, <http://www.ers.usda.gov/publications/ldpm-livestock,-dairy,-and-poultry-outlook.aspx>
Animal Production and Marketing Issues, <http://www.ers.usda.gov/topics/animal-products/animal-production-marketing-issues.aspx>
Cattle, <http://www.ers.usda.gov/topics/animal-products/cattle-beef.aspx>
Dairy, <http://www.ers.usda.gov/topics/animal-products/dairy.aspx>
Hogs, <http://www.ers.usda.gov/topics/animal-products/hogs-pork.aspx>
Poultry and Eggs, <http://www.ers.usda.gov/topics/animal-products/poultry-eggs.aspx>
WASDE, <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1194>

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U.S. red meat and poultry forecasts

	2011					2012					2013					2014					2015					2016		
	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Production, million lb																												
Beef	6,410	6,559	6,736	6,490	26,195	6,282	6,473	6,586	6,572	25,913	6,175	6,513	6,609	6,423	25,720	5,868	6,184	6,179	6,021	24,252	5,664	5,855	6,215	6,025	23,759	5,885	6,505	24,835
Pork	5,719	5,370	5,484	6,186	22,758	5,858	5,519	5,631	6,244	23,253	5,775	5,516	5,622	6,274	23,187	5,784	5,504	5,424	6,131	22,843	6,161	5,925	5,990	6,505	24,581	6,115	5,845	24,705
Lamb and mutton	36	40	36	37	149	39	39	39	40	156	38	41	40	38	156	37	43	38	38	156	38	39	35	39	151	38	37	151
Broilers	9,290	9,509	9,542	8,861	37,202	9,089	9,381	9,372	9,198	37,039	9,144	9,466	9,683	9,537	37,830	9,283	9,618	9,835	9,814	38,550	9,717	10,003	10,300	10,225	40,245	10,075	10,350	41,375
Turkeys	1,402	1,471	1,423	1,495	5,791	1,446	1,505	1,480	1,537	5,967	1,459	1,486	1,440	1,420	5,806	1,332	1,428	1,478	1,517	5,756	1,429	1,388	1,390	1,425	5,632	1,350	1,500	6,010
Total red meat & poultry	23,011	23,114	23,395	23,226	92,746	22,865	23,084	23,274	23,739	92,963	22,743	23,183	23,563	23,844	93,333	22,456	22,934	23,111	23,671	92,171	23,156	23,362	24,086	24,367	94,971	23,606	24,398	97,698
Table eggs, mil. doz.	1,631	1,641	1,665	1,715	6,652	1,684	1,680	1,707	1,778	6,849	1,733	1,746	1,775	1,825	7,079	1,771	1,799	1,827	1,868	7,265	1,789	1,689	1,650	1,725	6,853	1,700	1,720	7,015
Per capita disappearance, retail lb 1/																												
Beef	14.1	14.5	14.7	14.0	57.3	14.0	14.7	14.5	14.2	57.4	13.7	14.5	14.3	13.9	56.4	13.1	14.0	13.7	13.4	54.2	13.1	13.7	14.1	13.5	54.4	13.5	14.6	55.1
Pork	11.4	11.1	11.0	12.2	45.7	11.1	10.9	11.2	12.7	45.9	11.5	11.3	11.4	12.7	46.8	11.3	11.0	11.1	13.0	46.4	12.3	11.8	12.3	13.3	49.8	12.1	11.5	49.2
Lamb and mutton	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8	0.3	0.2	0.2	0.2	0.9	0.2	0.2	0.2	0.3	0.9	0.2	0.3	0.2	0.2	1.0	0.2	0.2	0.9
Broilers	21.5	21.4	20.8	19.1	82.9	20.1	20.4	20.3	19.7	80.4	20.1	20.3	21.0	20.5	81.9	20.2	20.8	21.2	21.2	83.4	21.4	22.1	22.6	22.3	88.4	22.1	22.5	90.0
Turkeys	3.5	3.5	4.0	5.0	16.1	3.5	3.6	4.1	4.9	16.0	3.7	3.6	4.0	4.8	16.0	3.4	3.5	3.9	5.0	15.8	3.5	3.6	4.0	4.8	15.9	3.4	3.6	16.2
Total red meat & poultry	51.2	51.3	51.0	51.0	204.6	49.3	50.3	50.7	52.0	202.3	49.5	50.3	51.3	52.4	203.6	48.7	49.9	50.5	53.2	202.3	50.9	51.9	53.6	54.6	210.9	51.7	52.9	212.9
Eggs, number	61.3	61.5	62.8	64.3	250.0	63.3	62.3	63.3	65.6	254.5	64.4	63.5	64.8	66.1	258.7	64.8	65.4	66.4	66.8	263.4	64.4	61.6	60.6	63.4	249.9	61.5	62.1	252.3
Market prices																												
Choice steers, 5-area Direct, \$/cwt	110.07	112.79	114.05	121.99	114.73	125.29	120.91	119.69	125.54	122.86	125.52	124.95	122.30	130.77	125.89	146.34	147.82	158.49	165.60	154.56	162.43	158.11	148-152	148-158	154-158	148-160	151-163	150-162
Feeder steers, Ok City, \$/cwt	127.20	131.09	134.74	141.93	133.74	152.81	150.05	139.31	143.40	146.39	141.36	133.10	152.08	161.69	147.06	167.49	188.64	220.90	234.25	202.82	210.31	219.69	216-220	217-227	216-220	217-229	223-235	221-233
Cutter Cows, National L.E., \$/cwt	68.66	74.88	66.11	63.54	68.30	76.57	83.51	76.94	73.81	77.71	77.87	77.46	78.36	76.55	77.56	89.12	98.57	111.27	109.21	102.04	107.61	109.50	106-110	100-110	106-110	101-113	107-119	104-116
Choice slaughter lambs, San Angelo, \$/cwt	174.66	157.99	161.13	148.61	160.60	145.33	127.08	89.28	89.85	112.89	107.53	91.72	94.26	150.97	111.12	166.69	148.99	156.02	162.69	158.60	147.17	140.09	140-144	135-145	140-144	134-146	139-151	139-151
Barrows & gilts, N. base, l.e. \$/cwt	59.94	68.80	71.06	64.66	66.11	61.68	61.79	61.43	58.63	60.88	59.03	65.46	70.59	61.11	64.05	68.69	85.40	83.30	66.74	76.03	48.47	53.20	51-53	45-47	49-50	46-50	49-53	46-49
Broilers, 12 City, cents/lb	80.20	83.00	78.20	78.00	79.90	87.40	85.10	82.00	92.10	86.60	103.50	108.60	93.90	92.80	99.70	98.40	113.70	104.60	102.80	104.90	97.00	104.20	89-91	89-95	95-97	92-100	94-102	94-102
Turkeys, Eastern, cents/lb	90.20	99.90	106.40	111.60	102.00	100.70	106.90	108.50	106.10	105.60	96.00	97.70	99.90	105.40	99.80	100.70	105.60	110.20	113.90	107.60	99.60	108.50	122-126	128-136	115-117	110-120	112-122	110-119
Eggs, New York, cents/doz.	105.80	106.60	117.70	131.20	115.30	108.70	99.70	131.90	129.40	117.40	126.90	109.90	119.00	143.00	124.70	142.70	134.60	129.30	162.70	142.30	146.90	170.30	238-246	238-252	199-203	187-203	168-182	164-178
U.S. trade, million lb																												
Beef & veal exports	633	702	766	683	2,785	558	624	650	620	2,452	557	636	716	680	2,589	583	667	679	644	2,573	526	606	630	600	2,362	535	625	2,485
Beef & veal imports	461	593	548	454	2,057	582	669	516	453	2,220	590	629	515	516	2,250	597	767	765	818	2,947	876	991	860	740	3,467	825	850	3,020
Lamb and mutton imports	49	48	31	34	162	38	36	38	41	154	49	44	36	44	173	46	49	45	55	195	53	56	46	47	201	50	46	190
Pork exports	1,248	1,208	1,260	1,481	5,196	1,442	1,301	1,251	1,386	5,379	1,219	1,225	1,205	1,341	4,988	1,347	1,281	1,090	1,140	4,857	1,165	1,334	1,175	1,325	4,999	1,275	1,300	5,225
Pork imports	201	195	194	213	803	207	191	198	205	802	208	210	229	233	880	212	240	256	299	1,008	278	264	260	295	1,097	250	225	1,000
Broiler exports	1,526	1,598	1,976	1,877	6,978	1,734	1,791	1,864	1,886	7,274	1,752	1,865	1,855	1,874	7,346	1,827	1,834	1,856	1,782	7,301	1,629	1,714	1,750	1,750	6,843	1,690	1,775	7,215
Turkey exports	159	171	173	199	703	180	184	216	216	797	179	182	198	202	760	163	188	223	231	805	154	123	130	135	542	150	175	740
Live swine imports (thousand head)	1,452	1,429	1,407	1,508	5,795	1,445	1,444	1,387	1,380	5,656	1,326	1,285	1,223	1,113	4,948	1,195	1,216	1,264	1,272	4,947	1,312	1,538	1,400	1,300	5,550	1,250	1,250	5,000

Note: Forecasts are in bold.

1/Per capita meat and egg disappearance data are calculated using the Resident Population Plus Armed Forces Overseas series from the Census Bureau of the Department of Commerce.

Source: World Agricultural Supply and Demand Estimates and Supporting Materials.

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Updated 8/18/2015

Dairy Forecasts

	2014			2015					2016		
	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Milk cows (thous.) 1/	9,270	9,287	9,256	9,305	9,319	9,320	9,320	9,315	9,320	9,315	9,310
Milk per cow (pounds)	5,520	5,487	22,260	5,583	5,753	5,545	5,530	22,410	5,715	5,840	22,880
Milk production (bil. pounds)	51.2	51.0	206.0	51.9	53.6	51.7	51.5	208.8	53.3	54.4	213.0
Farm use	0.2	0.2	1.0	0.2	0.2	0.2	0.2	1.0	0.2	0.2	1.0
Milk marketings	50.9	50.7	205.1	51.7	53.4	51.4	51.3	207.8	53.0	54.2	212.1
Milkfat (bil. pounds milk equiv.)											
Milk marketings	50.9	50.7	205.1	51.7	53.4	51.4	51.3	207.8	53.0	54.2	212.1
Beginning commercial stocks	13.5	12.2	11.2	11.2	13.3	15.5	13.7	11.2	12.0	14.6	12.0
Imports	1.1	1.5	4.3	1.2	1.3	1.4	1.8	5.7	1.2	1.3	5.4
Total supply	65.6	64.5	220.6	64.2	68.0	68.4	66.8	224.8	66.3	70.0	229.4
Commercial exports	2.8	2.3	12.4	2.4	2.5	2.6	2.4	9.8	2.4	2.6	10.7
Ending commercial stocks	12.2	11.2	11.2	13.3	15.5	13.7	12.0	12.0	14.6	15.6	12.0
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial use	50.6	51.0	196.9	48.5	50.0	52.1	52.4	203.0	49.3	51.8	206.7
Skim solids (bil. pounds milk equiv.)											
Milk marketings	50.9	50.7	205.1	51.7	53.4	51.4	51.3	207.8	53.0	54.2	212.1
Beginning commercial stocks	13.3	12.3	11.7	13.1	13.7	14.6	13.4	13.1	13.1	14.3	13.1
Imports	1.5	1.5	5.6	1.4	1.5	1.7	2.0	6.6	1.5	1.6	6.4
Total supply	65.7	64.5	222.4	66.2	68.6	67.7	66.7	227.6	67.6	70.0	231.5
Commercial exports	9.3	9.0	39.1	8.8	10.7	10.1	9.9	39.5	9.3	10.1	39.7
Ending commercial stocks	12.3	13.1	13.1	13.7	14.6	13.4	13.1	13.1	14.3	15.0	13.5
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial use	44.1	42.4	170.2	43.7	43.3	44.2	43.7	174.9	44.0	44.9	178.4
Milk prices (dol./cwt) 2/											
All milk	24.40	22.77	23.97	17.00	16.70	16.95	16.30	16.75	15.70	15.65	16.40
						-17.25	-16.90	-16.95	-16.60	-16.65	-17.40
Class III	22.82	21.19	22.34	15.73	16.24	16.10	15.30	15.85	14.75	15.00	15.45
						-16.40	-15.90	-16.05	-15.65	-16.00	-16.45
Class IV	23.42	18.75	22.09	13.62	13.77	12.60	12.00	13.00	11.85	13.15	13.50
						-13.00	-12.70	-13.30	-12.85	-14.25	-14.60
Product prices (dol./pound) 3/											
Cheddar cheese	2.168	2.053	2.155	1.567	1.663	1.690	1.620	1.635	1.555	1.560	1.595
						-1.720	-1.680	-1.655	-1.645	-1.660	-1.695
Dry whey	0.683	0.625	0.654	0.529	0.444	0.360	0.335	0.415	0.365	0.385	0.410
						-0.380	-0.365	-0.435	-0.395	-0.415	-0.440
Butter	2.574	2.140	2.136	1.647	1.838	1.920	1.865	1.815	1.700	1.815	1.760
						-1.980	-1.955	-1.855	-1.820	-1.945	-1.890
Nonfat dry milk	1.707	1.379	1.768	1.024	0.948	0.765	0.725	0.865	0.785	0.885	0.950
						-0.795	-0.775	-0.885	-0.855	-0.955	-1.020

1/ Simple averages of monthly prices. May not match reported annual averages.

2/ Simple averages of monthly prices calculated by the Agricultural Marketing Service for use in class price formulas. Based on weekly "National Dairy Products Sales Report".

Sources: USDA National Agricultural Statistics Service, USDA Agricultural Marketing Service, USDA Foreign Agricultural Service, and USDA World Agricultural Outlook Board.

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